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SOME ETHICAL ASPECTS OF INDUSTRIALISM.*

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IN the opening words of the most authoritative of modern economic works, it is said that the two greatest forces which have impelled mankind have been the religious and the economic. At first this may seem to read like a truism, implying no more than that all human interests can be divided into the material and the spiritual. But reflection brings to the front this deeper aspect of Professor Marshall's words—that religious and economic interests are especially *personal* interests, bearing on the individual directly and for his own sake. Political interests, on the other hand, bear on the individual through social institutions and for the sake of further social results. In this paper, it is this superiority of personal values which I have sought to emphasize; because if it is true that personal forces have been the strongest, it follows that it is to personal reforms that we must chiefly look for progress. Now modern industrialism is in danger of becoming, if it has not become, pervaded by the spirit of the doctrine of evolution, whose regard for the individual is far less than its regard for types, for stages of progress, for new levels of life; the doctrines of the equality of things in the long run, of the inevitable displacements of labor by inventions, of the necessary margin of unemployed for the elasticity of trade, of the industrial uselessness of men over fifty, are examples of this. And, further, the main body of the reform movement in economic affairs consists of those Socialists whose belief is in a change of system, such that the sphere of personal activity will be contracted and that of institutions enlarged.

It is extremely difficult to combine economic and re-

* A paper read at the Church Congress, Manchester, October, 1908.

ligious standards, or even to correlate them. Industry is conducted now through companies, not through persons; and in joining to create a company "a man isolates a certain part of himself, a certain wish or purpose, and sends it off by itself, so to speak, to work independently of the rest of his aims and impulses. Other men do the same, and the result is essentially mechanical and not human. The man, as a moral whole, is not in it; it is only a fagot of parallel interests."¹ It is for this reason that all economists find a difficulty in deciding principles of fair trade or fair price on any standards within the economic sphere; for ethical or religious standards are personal, but companies are impersonal, and are there essentially to represent *partial* interests only. The nineteenth century has created a complexity which has made the moral problem in industry both more acute and more difficult to handle.

The development of large organizations of labor and capital is not the only nineteenth century result that presents difficulty; there is also the relation called employment, with which we are so familiar that it is hard to realize what an odd product of democracy it is. There is a remarkable separation of labor from industrial ownership and government, though it shares the chief risks of misgovernment when firms fail. To some sections of the socialist movement the whole grievance lies in their passionate hatred of the wage-relation simply as such. It has been said that "you cannot accuse a nation"; and in the same way we perhaps cannot accuse a century either. But we can always decline to become dulled to the moral issues involved in this very peculiar relation of a few men to masses of others. It has given us, in addition, a system of industrial combinations of men and masters such that industry presents the same broad aspect as international politics; peace lies in preparation for war, the purpose of the constant preparation

¹ Cooley, "Personal Competition," p. 110.

being presumably to keep us from forgetting the blessings of peace.

It is easier to let this whole system judge itself by showing certain broad features of it, than to judge it by exact ethical standards. The things which are considered normal and abnormal, the qualities which are demanded as between persons, the results which are regarded as most praiseworthy; these can at least be indicated and allowed to speak for themselves.

The virtue of which we hear most from the advocates of social betterment is *sympathy*. And it is mainly a class sympathy which they wish to have developed. It is asked that this sentiment be extended from the upper social classes toward the wage-earning classes, not at special times or in special cases, but as a usual and natural feeling. It would be different if this sentiment were required of us on behalf of the distressed and the very poor, or any who had fallen on bad times. It would not then be distinctly a class sympathy, but only a human one. This constant request is significant, because it implies that conditions of work bear with some special severity on these classes, and that allowances must be made, or standards of judgment stretched, in forming opinions. As a constant attitude, this can scarcely be said to be a mark of social health. No class ought to deserve this permanent sympathy of another class. What calls it forth is sometimes the *kind* of work, such as coal mining, or the stoking of great ships, or weaving in a moistened and heated air; here there is a sort of admission that invention is backward, and that people are doing work which merely is not human in its nature. Sometimes it is the direction of work, sometimes its monotony, sometimes its social degradation, that is especially perceived; or perhaps the difficulty with which those who are engaged on it can, at the end of a day or week, enjoy whatever facilities there are for recreation or education or religious teaching. The fine flowers of civilization can only, perhaps, be produced at this cost; and if we esti-

mate the worth of a social system by its highest results—the people of finest feeling, highest artistic and literary gifts, and so forth—then we get accustomed to the attitude of constant class sympathy. It is those who believe more in the worth of concrete individuals than in the worth of a society in the abstract, who can never allow it to be a high claim for any system of social organization that it always requires a strong class sympathy proceeding downwards. That there is not more bitterness in the lower ranks of industry is one of the indications of the wonderful social power of habit. It is probable that we shall see a considerable reduction in the working hours of some of the more arduous trades; considerations of human worth teaching us that labor should not be most protracted where it is most severe. The growing movement for workmen's education will then have more of a chance.

Let us now apply another test—the acts or conditions which are considered notable enough to have attention specially drawn to them. It will be admitted that this is a good way of estimating industrialism by its own unconscious standards. In this connection I may quote a remark of a great English economist that “factory acts are a disgrace.” By this is meant that the things expressly enacted, with penalties attached to their nonobservance, are such as ought surely never to have required to be insisted on by law. Anyone may understand this point who reads the provisions regarding women's and children's labor; or even, for instance, those which enforce the posting of a copy of the act in places where the employes can see it. Of course, all penal legislation is aimed at what are called in economics “marginal” or limiting cases; that is to say, the severity of its provisions is determined by the possible action of the least scrupulous people. To the more scrupulous, the act matters less; by some it is not felt at all. Even so, a perusal of the factory acts gives one seriously to think. Take, as a further example, the various schemes which come under the general name

of "social betterment." Such are model factories and dwellings, and opportunities for rest, recreation and education, which some firms provide, without making them a substitute for fair wages. All these things can still be regarded as notable and unusual, till it becomes actually depressing to see a large meeting listening intently to the explanation of them. The pioneers of this movement would probably welcome few things more than to lose their prominence and exceptional noteworthiness before the public. The moral rule would then have ceased to be the industrial exception. A third example of this is connected with the methods of industrial peace. Two instances may be quoted. In an important dispute in which he was called in as arbitrator, Lord Rosebery gave a luncheon to representatives of both sides, thus bringing them at least physically together. It will probably be some time yet before we hear the end of this luncheon, so notable a fact is it that men and masters should have met as guests at the same table, and that an earl's. Could anything have been more obvious than a luncheon-party in these circumstances? But this is not the most remarkable case. In the report recently published by the Home Office on Wages Boards and Arbitration in Australia and New Zealand, the writer points out that when the representatives of men and masters meet for discussion, as the law requires them to do, they sit round the same table. There rises in the mind of anyone who reads this a picture of the men at one table and the masters at another, sending notes to each other, or using some other means of communication which would not interfere with due proprieties. It is considerations such as these—the more valuable because they are unconscious indications of social spirit—which pass their own judgment on modern industrialism. Many of what would appear to be simple humanities are not able to be taken as matter of course.

Another side of this question presents itself to anyone who watches the course of public controversy on questions

which bear on industry. There is practically no constructive economic or fiscal proposal against which the charge of corruption is not at once entered. A good deal has been heard of this corruption argument in regard to the free-trade controversy. So good a name as fair trade—for if we weigh them against each other “fair” is as fine a word as “free”—has not saved its advocates from the objection that they will introduce into England a most notable system of corruption in industrial affairs. But this corruption argument, with its implied mistrust, has far wider scope than the fiscal question. It has been urged in recent times against income taxes, since “the best liar is best off”; against *laissez faire*, with its “economic man”; against municipal trading; against indentured labor; against old-age pensions; against the co-operative system; against trusts, shipping conferences, and all forms of combination which place great power in the hands of a few; against the whole system of trading by agency and advertisement.² The objection is, in fact, pretty sure to turn up against any industrial proposal that is made in the legislature by either party. No one trusts the economic motive in or out of sight. The prevalence of this argument, while it lessens the importance of any particular use of it, gives us again ground for reflection on industrialism as we have it.

The development of industrial peace by the means of conciliation and arbitration is a more hopeful aspect of the present position. But yet no one would contend that conciliation was a good high-water mark. It implies antagonisms that have to be overcome. It excludes the ideas of partnership, community of interest, and any real kind of sharing. The fact that in the most highly organized trades, in the highest products of industrialism, committees of men and masters meet at stated times for

² Since the above was written, Sir G. Gibb has quoted the same argument against railroad nationalization. If it is true that workmen should not vote on matters affecting their own wages, schemes of industrial copartnership must also be ruled out by the corruption argument.

purposes of conciliation, is pleasing on the contrary, according as we look backward or forward. As an industrial ideal, this cannot possibly be final. We must remember, too, that the right to strike is jealously maintained, and that compulsory arbitration is not popular in England. Proposals to do away with the industrial right to resort to a trial of strength would in any case not come well from governments which maintain that it is only great armaments which preserve political peace.

It is with regard to industrial fluctuations, however, that most has been heard of the moral aspects of our industrial system. The theory of what is called the "long run" has to be applied under conditions where the wastage that takes place in short periods is wastage of human life. In mechanics or biology no moral problem is created if we say that in the long run fluctuations balance each other, the loss of one period being made up for by the gain of another. But individual human beings have rights; and no possible idea of justice is satisfied when one man's failure to find a living now is balanced against some other man's high wages in the future. Personal values render the utilitarian calculus useless. This is realized in political affairs. If an individual suffers an injustice, no one suggests that this shall be regarded as incidental to our legal system, or that in the long run these things are evened out. On the contrary, the case of Don Pacifico settled the principle that this country was prepared to go to war to maintain the rights of an individual. The "right to work" is a statement of the same demand in the industrial sphere.

It seems to me impossible, in dealing with this claim, to suppose that we do our duty if we make provision for the next generation, and seek to make their lot better than their fathers'. There is a great deal, in popular dealings with industrial distress, of this kind of ethics of posterity. To some extent it is a part of the broad evolutionary ideals which are now being applied in the social sciences. Take care of the children; invest your

capital where it can still be productive of results in the future; with the distressed men and women we can only make some shift. I have a profound aversion to this kind of morality. The children of the state are of value because of their coming manhood and womanhood; and I cannot see why existing men and women should have their realized value put aside. The world is happy in proportion as persons are happy, not in proportion as happiness is saved up. We cannot be always taking thought for the next generation; it is not a possible ethics. There is no discontinuity that marks off one generation from another; our special care is with all the living. This ethics of posterity would pile up a golden age for the last generations, if it were not that they might not know they were the last, and might indulge, too, in prospective well-doing. As posterity will only abuse us, and call us the dead past, and ask us to bury our own dead, we may as well let it know that we hope it will take care of its own living.

Those who believe, as I do, in the right to work, which appears to me a consequence of the duty to work, will never get on in the social sciences with Mill's ethics. But here is the difficulty of applied ethics. A duty may imply a right, but it also must imply a power. Ought implies can, and how can Kant's ideas be made useful if there is no work—real productive work, that is, during periods of distress?

This is not the place to enter into a technical argument, but it is possible to indicate broadly where it seems to me that want of very ordinary consideration creates the distress we call unemployment. If a firm's trade slackens by ten per cent., what is done at present? Ten per cent. of the men are *dismissed*. This is the very crudest way of reducing the wage bill. A set-back has happened to a body of producers; we should expect it to be borne proportionately by them all. Each man, that is, should lose one day's work in ten. Instead of this, one man in ten is paid off; ninety men in a hundred suffer

nothing and ten lose everything. This is not bearing each others' burdens. If each man lost one day in ten, it is a simple thing to arrange that ninety per cent. of the staff which is working daily, though the actual personnel is different. With a five-per-cent. depression, which is above the average of our unemployment figures, each man would have one idle day in three weeks, instead of five per cent. of the men being idle all the time. My point is that there is no *period of time over which*, if there is any real corporate feeling, there is no need for an individual's services. We visit, under the present method of proportionate *dismissal*, the whole depression on the heads of a few. Therefore their distress is acute.³ If the men who remain in work when their comrades are dismissed realized this fact, the trade unions are strong enough to mend matters. If we use the method of proportionate *reduction* instead of that of proportionate *dismissal* when trade falls off by a certain amount, then every workman has the right and the power to obtain that degree of work which the general industrial conditions of the time make available. There is no ethical right to more work than this. My argument implies that to *dismiss* a workman on the ground of trade depression is unjust if the firm continues to work even at lower speed. The acceptance or non-acceptance of this position on its *ethical* grounds indicates whether we do or do not regard the relation of employment as in any sense a corporate one; corporate, that is, not only as between men and masters, but as between men and men. Its rejection on *technical* grounds—and I grant that in some kinds of piecework there will be difficulties—will at least show how much practical effort the unemployed problem is thought to be worth.

There is a similar neglect of personal values in regard to the relief funds which are in the habit of being estab-

³I apply this consideration to all forms of wages, my point of view being determined by the fact that the labor "reserve" is held to be economically necessary. In a few British and German trades, and many Belgian ones, the work is shared, often under trade union conditions.

lished in our great cities when unemployment is unusually severe. The chronic appearance of these funds has almost become part of the industrial system. When trade returns to a normal state, the funds are closed, because unemployment is said to be no longer exceptional, but only, like trade itself, normal. Now it is evident that if a workman has any claim at all of this kind on the community, that claim is quite independent of the number of other workmen who share his misfortune. If his claim is good, it is a personal and industrial claim, and is equally valid whether he is one of a hundred unemployed or one of five thousand. Since a certain reserve is held to be necessary at all times for the elasticity of trade, it appears to follow that unemployed funds ought to be permanent, and not chronic. But we have got into a habit of looking at this problem as a numerical one, instead of a personal one; and we speak very lightly of the necessary labor "reserve." This military metaphor is more brave than useful; since the army reserve is not without occupation in time of peace.

The economic laws which most directly bear upon ethical discussions of industrialism are two—that wealth and poverty are social creations, and that economic advantage and disadvantage are both cumulative. It is the degree to which the first of these laws can be given its due weight that will determine how far we can get past the present position of bargaining between opposed organizations of men and masters, and find a better high-water mark than conciliation. This law is also the basis of organized charity, as well as of most social legislation. In 1834 England was persuaded to accept the scientific fact that subsidies lower wages, and that alms should not be given. The strain has been too great, and we have since then organized charity. We have also introduced legislation which provides funds for the poor at the cost of the rich and well-to-do. If these schemes do not contravene the views implied in the poor law, they must mean that they are attempts to rectify a faulty distribu-

tion, and that they simply restore what is due. It is the same with public benefactions. If it is degrading for an individual to accept gifts, it is more so for a rich nation. Almsgiving does not become public spirit simply by an increase of its scale. The acceptance of such gifts for education, hospitals, and so forth, can be justified finally only on some implied view that individuals are merely the chance channels of circulation of national creations of wealth. The national acceptance of donations from foreign sources is a less pleasant, because much remoter, application of the same idea. I do not see how a pure individualist can regard what this nation owes to private benefactions as anything but intolerable.

It is sometimes thought to be the teaching of economics that all the earnings of individuals are, by the natural operation of free competition, adjusted to their efficiencies. Each man gets just what he is worth, otherwise he would not be employed. This is the "efficiency theory" of wages. It has recently been used as a convincing argument against socialist proposals.⁴ And I agree that anyone who thought this was proved could not regard a great part of modern legislation as just, except in so far as it might be just to enforce charity. What economics does teach, however, is that the reward payable to or for the service of any agent of production tends to be adjusted to the efficiency of that agent. Land and capital are among these agents, but though they earn they cannot acquire, being impersonal; their reward goes to their owners, so that *personal incomes* are not proportioned to *personal efficiencies*. It is therefore allowed by implication in our modern social legislation that part of the income from *property* is national; and, if that is driven further back, it implies a national claim to property itself. It appears to me that a final defense of social legislation would rest on considerations affecting land.

That advantage and disadvantage are cumulative is

⁴ In the *Edinburgh Review*, January, 1908.

the result of the laws of interest and increment, of bargaining, of mental confidence and depression. There is a tendency to create two idle classes at the opposite poles of society, especially when we add the factor of heredity in each case. It is a false judgment, however, that one of these classes is to any real extent the cause of the other. Rich men have not the power to withdraw their wealth from social use. The circulation—as distinct from the ownership—of national wealth is little affected by the particular names under which it is grouped in the books of banks. It follows the current of strongest demand and highest interest, the influence of the very rich being mixed with that of others in helping to form the directions of demand. They have a theoretical right to go against this current, but the cases in which this right is used are mostly those of philanthropic endeavor—of “giving the people what they do not want” in order that they may come to want it. The economic responsibility of the idle rich is their own; they do not make the poverty of the poor. The social influence of this class is more important, not only through the creation of class bitterness, but because of their control over the legislature. Improvement in economic conditions may thus be delayed.

Change of institutions will probably do much less for industrial progress than change of persons. There are many economic results—like trusts and monopolies—on which no judgment can be passed except that all depends on the hands they are in. Their powers of industrial moralization, by eliminating much that is evil in competition, are as great as their powers of extortion, by using new kinds of competing strength. The reaction of institutions on persons is, in my view, much less. For the ethics of industrialism, therefore, there would appear, in view of all that has been said, to be required a modification of the utilitarian ideal by that of Kant—the absolute value of personality. It is true that the utilitarian formula includes “the greatest number,” and implies attention to distribution as well as to aggregates. Unfor-

tunately, no calculus can work with such a double maximum. Higher ethical ideals will therefore introduce a certain vagueness, and increase the scope of intuition, personal sympathy and tact in industrial proposals. This is the strength, as it seems to me, of religious teaching. Its emphasis is on personal reform. It was promulgated at a time when conditions of life were at their simplest, so that it cannot be quoted now on behalf of definite institutions or schemes. If there is one difficulty which more than others besets us in social affairs now, it is the unequal rate of development in the last century of the economic and ethical or religious ideals. Science has given new methods to economic development and has retarded religious faith. Evolution and the idea of the "long run" are apt to make us callous to personal rights and values. Industrial activities and ideals are ahead of others, and the need is for a more equal pace with religious and ethical ideals.

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